

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

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**November 30, 2004**

**FROM:** JUNE GRIFFITH-COLLISON, Acting Director  
Arrowhead Regional Medical Center

**SUBJECT: AMENDMENT NO. 3 TO AGREEMENT NO. 01-417 WITH HEALTHSCRIBE**

**RECOMMENDATION:** Approve Amendment No. 3 to Agreement No. 01-417 with Healthscribe, Inc. extending the term of the agreement from December 4, 2004, to February 28, 2005, and increasing the contract amount by \$219,000 from \$4,224,732 to \$4,443,732.

**BACKGROUND INFORMATION:** Approval of this item will allow the Arrowhead Regional Medical Center (Medical Center) the time necessary to complete the RFP process for transcription services.

On June 5, 2001, the Board of Supervisors approved Agreement No. 01-417 with Healthscribe, Inc. to provide medical transcription services for the Arrowhead Regional Medical Center (Medical Center), Behavioral Health Unit and associated Family Health Centers.

On December 2, 2003, the Board of Supervisors approved Amendment No. 1 to Agreement No. 01-417 with Healthscribe, adding the required language to agreements identified as a "Business Associate" under the Health Insurance Portability and Accountability Act (HIPAA) final Privacy Rule 45 Code of Federal Regulations Parts 160-164.

On May 25, 2004, the Board of Supervisors approved Amendment No. 2 to Agreement No. 01-417 with Healthscribe, extending the term of the agreement by six months to December 4, 2004. This extension was necessary to release and complete the RFP process for transcription services.

The RFP process took longer than anticipated due to proposals being submitted with two different billing approaches; therefore, requiring additional review to determine which approach was the most cost effective for the Medical Center. As a result, the Medical Center is requesting the Board of Supervisors approve a 90-day extension to the current agreement, which will allow the Medical Center additional time to complete the RFP process.

**REVIEW AND APPROVAL BY OTHERS:** This item has been reviewed by County Counsel (Charles J. Larkin, Deputy County Counsel, 387-5433) on November 18, 2004, and County Administrative Office (Bea Valdez, Administrative Analyst, 388-0211) on November 18, 2004.

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**FINANCIAL IMPACT:** Approval of Amendment No. 2 to Agreement No. 01-417 with Healthscribe, Inc. will increase the contracted amount by \$219,000 from \$4,224,732 to \$4,443,732. This amount may vary depending upon the patient volume. Adequate appropriations and revenue were included in the Medical Center's FY 2004/05 budget.

**COST REDUCTION REVIEW:** The County Administrative Office has reviewed this agenda item and recommends approval, as it imposes no local county cost and is necessary for the health and welfare of the Medical Center's patients.

**SUPERVISORIAL DISTRICT(S):** All

**PRESENTER:** June Griffith-Collison, Acting Director, Arrowhead Regional Medical Center, 580-6160